# DEPARTMENT OF CHILDREN AND FAMILIES

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#### State of Wisconsin Governor Scott Walker

**TO:** Income Maintenance Supervisors

**Income Maintenance Lead Workers** 

**Income Maintenance Staff** 

**Training Staff** 

**Child Care Coordinators** 

FROM: Junior Martin, Director

**Bureau of Program Integrity** 

Division of Early Care and Education Department of Children and Families **DECE/BPI OPERATIONS MEMO** 

No: 17-58

DATE: 12/19/2017

**Child Care** 

**SUBJECT: Retraction and Voluntary Repayment Agreement Policy** 

CROSS REFERENCE: CHAPTER 4.5 Sanctions

CHAPTER 4.12.1.1 Collections OPERATIONS MEMO 17-13

**EFFECTIVE DATE: 12/19/2017** 

#### **PURPOSE**

This Operation Memo provides policy clarification on when retractions and Voluntary Repayment Agreements (VPAs) may be utilized to recover funds.

#### **BACKGROUND**

Operations Memo <u>17-13</u> introduced two new abilities to recover funds that were either loaded or spent when the parent was not eligible for those funds. These processes are referred to as retractions and Voluntary Repayment Agreements (VPAs). This Operations Memo provides additional policy clarification on when retractions and VPAs may be utilized to recover funds.

Policy: Operations Memo 17-13

Retractions

"Retraction" is the word utilized by the Department for removing funds from the parent's electronic benefit transfer (EBT) card. Minimal policy guidance has been provided in Operations Memo <a href="https://doi.org/10.1001/journal.org/10.1001/jou

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Chapter 4.12.1.1

Voluntary Repayment Agreements (VPAs)

Chapter 4.12.1.1 states that:

The Voluntary Repayment Process occurs when a provider agrees of their own accord to return funds to the Wisconsin Shares program. This may occur due to a provider believing they have been overpaid or due to an authorization to the incorrect provider. If the provider agrees to the Voluntary Repayment, the provider must complete the Voluntary Repayment Agreement form (DCF-F-5178-E) and return it to the Department or local agency. The form may be mailed to the provider, and returned via email, scan or fax. The Department will then contact Fidelity Information Services (FIS) to initiate the Voluntary Repayment process. The funds will be debited from the provider's bank account registered with FIS and returned to the state. It is vital that the funds are in the account when the debit is processed. If funds are not available, the Department will receive a failure notice. The Department will then force the provider through the Quick Collect process.

## **Updated Policy:** Chapter 4.5\*

Retraction (\*will be housed in Chapter 4.5 once the manual has been updated)

Funds may be retracted (removed) from a parent's MyWIChildCare card in limited circumstances, where it has been demonstrated that the parent was ineligible for those funds; therefore, the parent will not be negatively impacted by their removal. Examples of scenarios where funds may be removed from the parents' card include:

- Funds loaded (but not spent) to an incorrect provider;
- Provider closures;
- Cases of agency error (such as over-authorized hours);
- Parent ineligible for funds (such as);
  - Not participating in their approved activity
  - Income Change that Exceeds Eligibility Limit
  - Change in Assistance Group (AG)
  - Non-cooperation with Child Support Agency (CSA)
- Cases of hardship where it is possible to calculate a removal amount for the time period when the child is not attending the provider location (and the removal has been agreed to by the parent);
- Child not attending the facility.

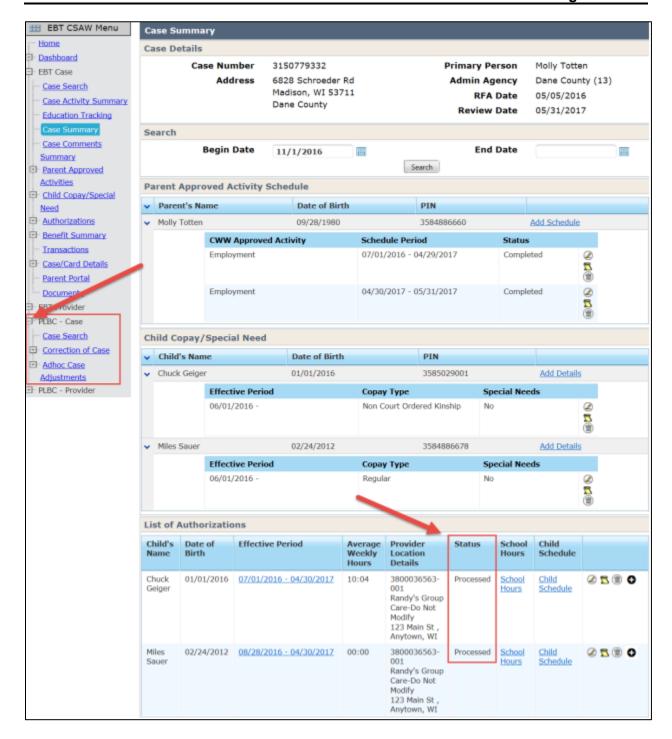
Other scenarios may be approved by the Bureau of Program Integrity (BPI) for removal if sufficient reason is provided to demonstrate that leaving the funds on the card may result in an overpayment due to client error.

If funds are not approved for removal it is either because the parent is eligible to spend the funds or BPI anticipates that the funds will be expunged from the card within 90 days. Do NOT create an overpayment due to a rejected retraction request without first consulting BPI via the <a href="Technical Assistance">Technical Assistance</a> mailbox.

#### Retraction Procedure

**STEP 1:** Complete a Post Load Benefit Correction (PLBC). The Case Correction must be completed and confirmed using the appropriate reason. Please see "Creating a New EBT CSAW-PLBC Client Adjustment Request" in the <u>PLBC User Guide</u> for instructions on how to locate the case in PLBC. Follow the steps below to complete the PLBC entries.

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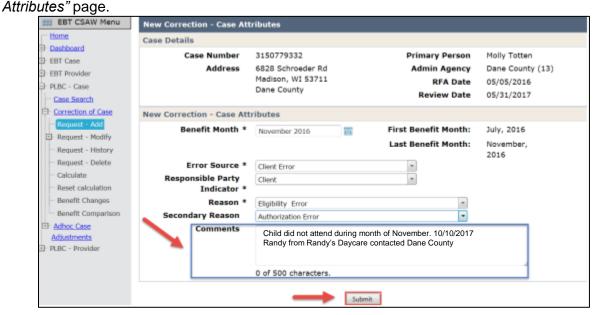
Select Case Search and search by case number, unless the case is already shown, then simply click Correction of Case.



The Correction of Case can be used to initiate the PLBC adjustment request for the parent.

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Be sure to document the circumstances surrounding the adjustment in the "Comments" area, then click the "Submit" button. This will bring the user to the "List of Corrections – Case



Comments *must* include the following information:

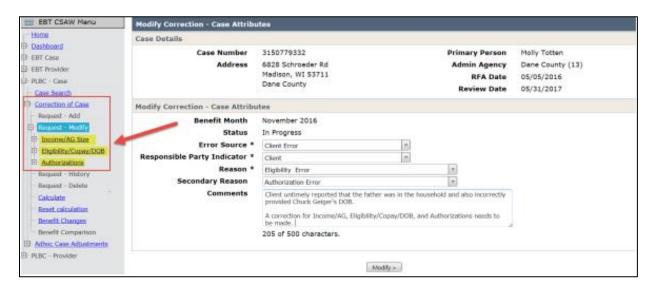
- Reason for retraction
- Date of contact with the agency notifying of the error
- Individual contacting the agency (Parent or Provider)

At the "List of Corrections - Case Attributes" page, select the pencil icon for the benefit month that needs to be corrected. This will bring you to the "Modify Correction - Case Attributes" page.



Select the appropriate link for reason the parent was ineligible. In most cases, this will be the "Authorization" link from the navigation menu on the left side of the page.

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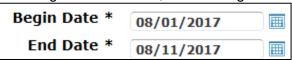


Select the applicable child's name that corresponds to the authorization.



Edit the information on the child's authorization page in EBT CSAW:

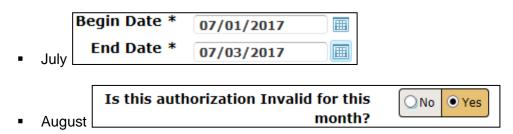
- Funds loaded (but not spent) to an incorrect provider;
  - Mark the authorization as invalid using the radio button.
- Cases of agency error (such as over-authorized hours);
  - Edit the authorization hours so that the correct amount of hours is entered.
  - For more information regarding the Two/Four Week Schedule option, reference the <u>PLBC User Guide</u> pg. 20-25
- Provider closures;
  - Edit the begin and/or end date to correctly reflect the effective dates that the authorization was valid with the provider.
    - Example: A provider's license is revoked on 8/11/2017. The authorization
      was in place from 8/1/17-8/31/17. The end date of the authorization would
      be changed to 8/11/2017, and the begin date would not change.



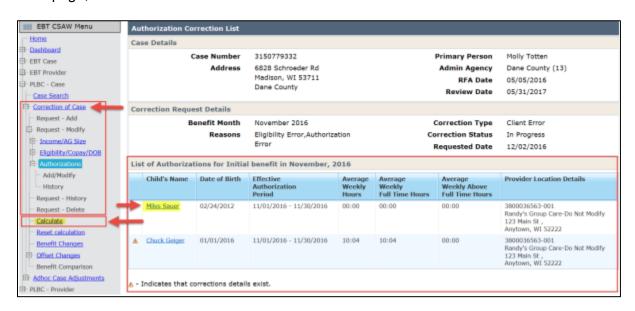
 If the parent should not have been authorized in the current month due to the provider being closed the entire month, mark the authorization as invalid using the radio button. OM 17-58 Page 6 of 12

 Currently, this process has to be completed for each individual authorization at the provider. A system enhancement is being developed to systematically end date all authorizations in the event of a mid-month provider closure.

- Child not attending the facility.
  - Edit the begin date and/or end date to correctly reflect the dates that the authorization should have been to the provider (in this case the dates the children actually attended). If the parent should not have been authorized in the current month due to the children not attending at all in the current month, mark the authorization as invalid using the radio button.
    - Example: A provider reports on 9/1/2017 that a parent's children did not attend at all in August, but attended two days in July. For the July PLBC correction, edit the end date of the authorization for 7/1 to 7/3 to acknowledge the children's attendance for two days. For the August PLBC correction, mark the authorization as invalid.

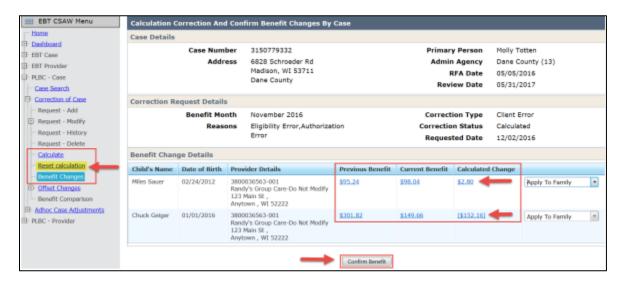


Next, select "Calculate" from the navigation menu at the left side of the page. At this page, review the entries and click the "Calculate Benefit" button.



Select the "Confirm Benefit" button on the "Calculation Correction and Confirm Benefit Changes By Case" page. [If the incorrect provider has been paid, do not select "Confirm Benefit" on this page, see the instructions that begin on page 10.]

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If a new authorization is needed, do not create the new authorizations until the PLBC is in confirmed status. This ensures that the copayment calculation will be correct on the new authorization.

**STEP 2:** Inform the parent that a notice will be sent to them regarding the correction. The notice will inform them that they will be receiving a Repayment Agreement in the mail. Inform the parent that this is incorrect, because the funds are being removed from their card in lieu of establishing an overpayment.

This notice will be updated to remove the Repayment Agreement language December 2017.

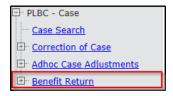
**STEP 3:** Contact the Bureau of Program Integrity Technical Assistance mailbox at <a href="mailto:dcfbpitarequest@wisconsin.gov">dcfbpitarequest@wisconsin.gov</a> to request removal of funds from the EBT card.

Include the following information in your request, preferably in the format shown below:

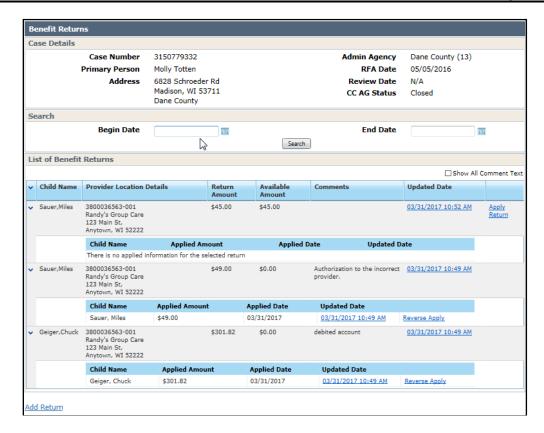
- Case
- Child(ren)
- Removal Amount(s) for each child
- Impacted Provider Number and Location
- Benefit Month(s)
- · Brief Reason Description

**Step 4:** BPI staff will then authorize the return utilizing the Benefit Return screen in EBT CSAW-PLBC. The Benefit Return screen is available for "View Only" access for any users that do not have Office of Child Care (OCC) security level access to EBT CSAW. OCC access is typically only granted to DCF employees. More information on security profiles can be found in the <u>EBT CSAW Security Profiles Guide</u>. Local agencies may review the page for details regarding why funds were removed.

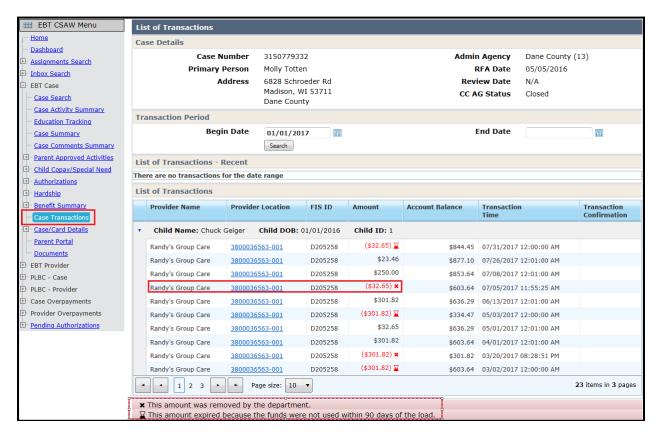
\*Note: Step 4 is completed by BPI. The following screenshots are for informational purposes only.



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As soon as the return is created, the retraction will be shown on the Transaction page in EBT CSAW and in the Parent Portal.



Red transaction amounts, followed by a red "x" indicate funds removed via retraction. A key will also appear below the transaction list to detail what each icon indicates

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**STEP 5:** If necessary, write or update a new or existing authorization. See <u>17-13</u> for guidance on new authorization due to incorrect providers. Contact the Child Care Subsidy and Technical Assistance line at (608) 422-7200 or <u>childcare@wisconsin.gov</u> if you require assistance with establishing and/or updating an authorization.

**Note:** Retractions are not appealable. If questions arise regarding the legitimacy of a retraction, Contact the Bureau of Program Integrity Technical Assistance mailbox at dcfbpitarequest@wisconsin.gov.

#### **Updated Policy:**

Voluntary Repayment Agreements (VPAs)

The Voluntary Repayment Process occurs when a provider agrees on their own accord to return funds to the Wisconsin Shares program. VPAs may be utilized in limited circumstances, where it has been demonstrated that the **parent was ineligible** for the funds received. VPAs may only be utilized when the ineligible funds were PAID to the provider. If the funds are still on the card, review the retraction policy. VPAs should only be issued for situations of parent liability overpayments or if the provider indicates they would like to return funds.

Examples of scenarios where funds may be recovered via a VPA include:

- Payments were made to an incorrectly authorized provider;
- Cases of agency error that resulted in the parent receiving more funds than they were eligible for and paying the provider with those additional funds;
- System error scenarios (such as the parent's card incorrectly received a benefit load twice in one month);
- Parent failed to timely report a provider discount rate;
- Provider has indicated that they would like to return funds and has provided an acceptable reason;
- Child not attending the facility (such as non-attendance, child being expelled, etc).

Other scenarios may be approved by the Bureau of Program Integrity (BPI) for a Voluntary Repayment Agreement if a satisfactory reason is provided.

This may occur due to a provider believing they have been overpaid or due to an authorization to the incorrect provider. If the provider agrees to the Voluntary Repayment, the provider must complete the Voluntary Repayment Agreement form (DCF-F-5178-E) and return it to the local agency. The form may be mailed to the provider, and returned via email, scan or fax. The Department will then contact Fidelity Information Services (FIS) to initiate the Voluntary Repayment process. The funds will be debited from the provider's bank account registered with FIS and returned to the state. It is vital that the funds are in the account when the debit is processed. If funds are not available, the Department will receive a failure notice. The Department will then force the provider through the Quick Collect process. In situations where funds are not able to be recovered via VPA from the provider, a client overpayment should be processed by the local agency. BPI will communicate any VPA failures to the local agency.

Agencies are responsible for tracking the situations that require VPAs and for processing an overpayment for the parent if the VPA is not returned within the 30 day timeframe. The 30 day timeframe begins the day that the VPA is sent to the provider.

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VPA Procedure

**STEP 1:** Complete a PLBC Case Correction. Follow the same instructions provided in Step 1 of the Retractions section in this operations memo. However, **do not** select Confirm Benefit on the "Calculation Correction and Confirm Benefit Changes By Case" page.

This will provide the agency with the amount that we should attempt to recover from the provider.

**STEP 2:** Contact the child care provider that was incorrectly paid and discuss the error. Ask the child care provider if they are willing to voluntarily return the funds. Explain that if they agree, the funds will be withdrawn from their bank account that is on file with FIS. If the provider agrees, the local agency must complete the Voluntary Repayment Agreement (VPA) form (<a href="DCF-F-5178-E">DCF-F-5178-E</a>) and send the form to the child care provider for completion and signature. The form can be completed by any person associated with the Child Care Center who has the authority to enter into an agreement. The provider must return the form to the local agency within 30 days. If the provider does not return the form within 30 days, the local agency should process a client overpayment.

*Note:* The VPA form has recently been updated to include a statement acknowledging that by signing the form, the provider voluntarily agrees to waive their rights to appeal the recovery of the aforementioned funds.

If the provider offers to return some of the funds but not the calculated amount that is acceptable. Document the amount the provider wishes to return on the Voluntary Repayment Agreement and process a client overpayment for the remaining calculated overpayment.

Example: A child did not attend their facility from May through July. According to the PLBC calculation, the overpayment would be \$150 for May, \$200 for June, and \$150 for July. The agency contacts the provider and the provider is only willing to return \$300. The agency should complete the VPA for \$300. The total overpayment was \$500 (\$150+\$200+\$150), and we should subtract from this the amount already recovered, \$300. This leaves \$200 remaining to be recovered which should be created as a client overpayment in Benefit Recovery (BV).

If the overpayment cannot be calculated in PLBC, or like the example above, the provider is not willing to pay back the entirety of the client overpayment, the negative adjustment should be entered in Ad Hoc. If the agency does not have OCC access, they should request BPI to complete this step through the BPI TA Mailbox.

#### STEP 3:

Contact the Bureau of Program Integrity Technical Assistance mailbox at <a href="mailto:dcfbpitarequest@wisconsin.gov">dcfbpitarequest@wisconsin.gov</a> and include the following information in your request:

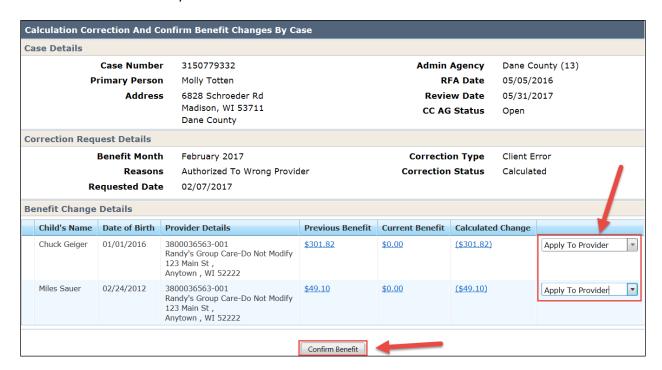
- Case
- Child(ren)
- · Removal Amount(s) for each child
- Impacted provider and location number
- Benefit Month(s)
- Brief description of the reason for the VPA
- Completed VPA form signed by the provider

**STEP 4:** BPI will process the Voluntary Repayment Agreement. To do so, BPI staff will code the PLBC adjustment as "Apply to Provider" and "Confirm Benefit."

\*Note: Step 4 is completed by BPI. The following screenshots are for informational purposes only.

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\*Note: If a provider agrees to complete a VPA but has concerns over multiple, large amounts from multiple months being debited all at once, BPI can work with the provider to coordinate the VPA transactions so the provider's account does not become overdrawn.



This action will initiate the correct updated parent notice to be sent (see screen shot below). The notice indicates the funds were paid to the <u>incorrect</u> provider and will be recovered from the <u>incorrect</u> provider. However, there are examples where the correct provider was paid, just not the correct amount. For example, child stopped attending mid-month but the parent paid the whole load amount.

# **Monthly Subsidy Amount Change Information**

There has been a change in your child or children's authorized subsidy amount for a previous month due a change you reported or that was discovered.

Subsidy Amount added to MyWIChildCare Card							
Month	Child	Provider Name Provider/Location Num	Amount Added to Card	Reason			
December- 2016	JACK HILL	JANUARY CARE- PROC 5800039215/001	\$ 355.28	Retro Authorization			

#### MyWIChildCare Card Payment Correction

It has been reported or discovered that Wisconsin Shares subsidy amounts have been authorized and paid to the incorrect provider. These amounts will be recouped from the incorrect provider and additional subsidy amounts will be added to your card for the correct provider.

Month	Child	Provider Name Provider/Location Num	Provider Overpayment Amount	Reason
December- 2016	JACK HILL	ANNA'S ANGELS 5800039985/001	\$ -809.90	Authorized to Wrong Provider

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### **CONTACTS**

For any questions surrounding this Operations Memo or Chapters 3 and 4 of the Wisconsin Shares Policy Manual, please contact the Bureau of Program Integrity (BPI) at <a href="mailto:DCFBPITArequest@wisconsin.gov">DCFBPITArequest@wisconsin.gov</a>.

For referrals regarding alleged fraud or other program integrity concerns, please submit a referral to the Child Care Fraud Mailbox at <a href="https://documents.org/linearing-nc/4">DCFMBCHILDCAREFRAUD@wisconsin.gov</a>.

For Wisconsin Shares Child Care policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at <a href="mailto:BROCCPolicyHelpDesk@wisconsin.gov">BROCCPolicyHelpDesk@wisconsin.gov</a>

For Child Care CARES/CWW, CSAW and CCPI Processing Questions statewide and policy questions in Milwaukee County contact the Child Care Subsidy and Technical Assistance Line at: <a href="mailto:childcare@wisconsin.gov">childcare@wisconsin.gov</a> or (608) 422-7200.

DCF/DECE/BPI/KDM/MSE